



State of Arizona  
Department of Education

Tom Horne  
Superintendent of  
Public Instruction

January 23, 2003  
CN# 17-03

TO: All School Food Service Directors

FROM: Carol Foxhoven  
Financial Services Team Leader  
Student Services Division

SUBJECT: NSLP Severe Need Breakfast Rate Change

This memo is to inform you of the process that will be used to update Severe Need Breakfast (SNB) reimbursement rates. Starting with the FY 2003, the reimbursement cost or rate will no longer be adjusted in January, but will remain the same until the end of school year. The new reimbursement will take effect July 1, 2003 and will be based on the Per Meal Breakfast Cost (PMBC) calculated from school year 2002 Annual Financial Report (AFR).

As in the past, the schools that meet the following two conditions will qualify for SNB rate between July 1, 2003 and June 30, 2004.

1. Site level free and reduced lunches served from second prior year are equal or more than 40%
- AND-
2. The sponsor's PMBC is greater than rate for regular breakfast

Reimbursement will continue to be the **lesser** of the sponsor's PMBC or the USDA reimbursement rate.

If you have any questions, please contact Mila Makal at (602) 542-8714.